

Compulsory Surrender of Authorisations

What has changed?

Instead of an aspirational cap of 4,000 gaming machines in the Territory, Phase 2 of the trading scheme will introduce a ratio of a maximum of 15 gaming machines to every 1,000 adult residents in the ACT.

In order to reach this ratio, Phase 1 of the trading scheme includes forfeiture requirements whereby one of every four authorisations traded must be forfeited to the Territory. In this way, the number of gaming machines will gradually decrease as trades take place.

If at the beginning of Phase 2, the ratio has not been reached, a compulsory surrender may be required.

Phase 2 is scheduled to begin three years after the commencement of the legislation. However, the Minister has the discretion to commence Phase 2 earlier than the three years. This may happen if the Minister considers that the quarantine provisions are not working effectively to reduce the number of gaming machines being operated as part of the structural adjustment leading up to the commencement of Phase 2 and the introduction of the ratio. The Minister must give six months' notice before taking this step.

The maximum number of authorisations will be reviewed by the Minister every two years.

What does it mean for me?

If the number of machines held by all licensed venues in the ACT is more than this ratio when Phase 2 commences, licensees allowed to have 20 or more authorisations will be required to surrender authorisations on a pro-rata basis to the extent needed to meet the maximum number. Class B authorisations will not be included in the compulsory surrender.

If a licensee is required to surrender one or more authorisations, each gaming machine under the authorisation must be rendered inoperable after meter readings have been taken. The licensee must then inform the Commission of the serial number, authorisation number and the meter readings of the machine to be surrendered. If requested by the licensee, an interim storage permit for the machine will be issued.

Frequently asked questions

How will the pro-rata surrender be worked out?

That has not yet been decided. Regulations will be developed to determine how the compulsory surrender will operate.

References

Gaming machine authorisation numbers - Schedule 1, Part 2A